

**STATEMENT OF BASIS (AI No. 14393)
PER20060001**

for draft Louisiana Pollutant Discharge Elimination System permit No. **LA0110680** to discharge to waters of the State of Louisiana.

THE APPLICANT IS: Rig Solutions
A National Oilwell Varco LP Company
Covington Facility
73765 Penn Mill Road
Covington, Louisiana 70435

ISSUING OFFICE: Louisiana Department of Environmental Quality (LDEQ)
Office of Environmental Services
Post Office Box 4313
Baton Rouge, Louisiana 70821-4313

PREPARED BY: Lisa Kemp

DATE PREPARED: July 5, 2006

1. PERMIT STATUS

A. Reason For Permit Action:

Permit reissuance of a Louisiana Pollutant Discharge Elimination System (LPDES) permit for a 5-year term. A notification of name change was submitted by National Oilwell Varco LP to this Office on May 30, 2006. This information will be incorporated into the draft permit. The discharges from this facility qualify for coverage under the Light Commercial General Permit. However, discharge monitoring reports (DMRs) have not been submitted in the last two years and stormwater has not been sampled since 2002. An inspection performed on September 28, 2005, noted several open paint cans exposed to the weather and that housekeeping needed to be improved at the facility (see Compliance History, Page 3). In addition, the receiving stream is located in Subsegment 040801 – Tchefuncte River and Tributaries- Headwaters to confluence with Bogue Falaya River (Scenic) which includes a designated use of “Outstanding Natural Resource Waters” Therefore, an individual permit with increased monitoring frequency is being issued for this facility.

B. NPDES permit - NPDES permit effective date: N/A
NPDES permit expiration date: N/A
EPA has not retained enforcement authority.

C. LPDES permits –
LPDES permit effective date: September 1, 2001
LPDES permit expiration date: August 31, 2006
This permit was modified effective May 1, 2003 to reflect the transfer from Fritz Culver, Inc. to Hydralift Covington, Inc.
This permit was modified effective August 1, 2004 to reflect the transfer from Hydralift Covington, Inc. to National Oilwell, LP.

D. Date Application Received: March 2, 2006; additional information received via telephone conversation May 25, 2006, name change information submitted May 30, 2006, and additional information received via email June 2, 2006

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2. FACILITY INFORMATION

A. FACILITY TYPE/ACTIVITY - marine equipment fabricating facility

This is an existing facility which welds and fabricates marine winches. Facility operations also include sandblasting of raw steel and painting. Blasting is done outside and is not covered. Painting is covered and screened in with painting screens. The discharges from this facility are treated sanitary wastewater and industrial stormwater runoff. Washwater generated is picked up by a contractor for disposal offsite.

B. FEE RATE

1. Fee Rating Facility Type: minor
2. Complexity Type: I*
3. Wastewater Type: III
4. SIC code: 3531

*As per LAC33:IX.1319 Table I, SIC code 3531 is assigned Complexity Type II. The Complexity Type has been BPJ'd from II to I because the only discharges from this facility are treated sanitary wastewater and stormwater.

C. LOCATION - 73765 Penn Mill Road, in Covington, St. Tammany Parish Latitude 30° 30' 21", Longitude 90° 09' 20"

3. OUTFALL INFORMATION

Outfall 001

This outfall was previously designated for the discharge of stormwater runoff combined with treated sanitary wastewater from Outfall 101. Stormwater runoff will be addressed in the SWP3 language in this permit, and the sanitary wastewater will continue to be sampled at Outfall 101 with pH as an additional parameter.

Outfall 101

Discharge Type:	treated sanitary wastewater
Treatment:	extended aeration, followed by settling and chlorination
Location:	at the point of discharge from the sewage treatment facility (Latitude 30° 30' 21", Longitude 90° 09' 20")
Flow:	4500 gpd
Discharge Route:	an unnamed ditch; thence to Pruden Creek; thence to the Tchefuncte River

Outfalls 002 and 003

These outfalls were previously designated for the discharge of stormwater runoff. Stormwater runoff will now be addressed by Stormwater Pollution Prevention Plan regulations (see Narrative Requirements of the Draft Permit).

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4. RECEIVING WATERS

STREAM - Tchefuncte River

BASIN AND SEGMENT - Lake Pontchartrain Basin, Segment 040801

DESIGNATED USES - a. primary contact recreation
 b. secondary contact recreation
 c. propagation of fish and wildlife
 g. outstanding natural resource waters*

*Tchefuncte River and Tributaries-
 Headwaters to confluence with Bogue Falaya River (Scenic)

5. TMDL STATUS

Subsegment 040801, Tchefuncte River and Tributaries – Headwaters to confluence with the Bogue Falaya River (Scenic), is listed on LDEQ's Final 2004 303(d) List as impaired for Pathogen Indicators (Total Fecal Coliform) and Mercury. To date no TMDLs have been completed for this waterbody. A reopener clause will be established in the permit to allow for the requirement of more stringent effluent limitations and requirements as imposed by a TMDL. Until completion of TMDLs for the Lake Pontchartrain Basin, those suspected causes for impairment which are not directly attributed to the marine equipment fabricating facility point source category have been eliminated in the formulation of effluent limitations and other requirements of this permit. Additionally, suspected causes of impairment which could be attributed to pollutants which were not determined to be discharged at a level which would cause, have the reasonable potential to cause or contribute to an excursion above any present state water quality standard were also eliminated.

The small sanitary discharge from this facility should not contribute to the mercury impairment of the receiving stream. The sanitary discharge from Outfall 101 does have the potential to impact Pathogen Indicator (Total Fecal Coliform) impairments of the receiving stream. Compliance with Fecal Coliform limits specified in the permit will ensure no further impairment to the receiving stream.

6. PROPOSED EFFLUENT LIMITS

BASIS - See Rationale Page 6

7. COMPLIANCE HISTORY/COMMENTS

1. WQMD – Compliance Warning Letter number WE-L-03-0979 was issued to this facility
 December 24, 2003.

2. DMR Review/Excursions –

LPDES permit LA0110680 was transferred to National Oilwell, LP effective August 1, 2004. There are no reports of samples taken for Outfalls 001, 002, and 003. DMRs for the treated sanitary wastewater (Outfall 101) were submitted for the second half of 2003 and the first half of 2004. Both samples were in compliance with permit limits. There are no DMRs on file after June, 2004. Laboratory analytical data for Outfall 101 (treated sanitary wastewater) for a discharge sample collected on February 9, 2006 was included with the permit application. The results were as follows:

BOD ₅	61 mg/L	Fecal Coliform	4700 cfu/100ml
TSS	88 mg/L	pH	7.72 s. u.

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3. Inspections –

A copy of a report from a compliance inspection completed December 20, 2005 at this facility was submitted with the renewal application. The inspection revealed:

- 1) LA0110680 was available at the facility
- 2) Chlorine was present in the sewer plant. Excessive floating solids in the clarifier. STP was not operating for 3 ½ weeks after the hurricane. Plant was operating at the time of inspection, but it needs maintenance.
- 3) SWP3 needs to be recertified. Last certification was 09/14/01.
- 4) No samples taken since the first quarter of 2002. Sampling must resume immediately for Outfalls 001, 101, 002, and 003.

A post Hurricane Katrina inspection performed September 28, 2005 at this facility noted that the facility sustained wind damage. The lift station for the mechanical treatment plant was pumped manually to the plant. The inspection also noted several open paint cans exposed to weather and that housekeeping needs to be improved at the facility.

8. EXISTING EFFLUENT LIMITS

Outfall 001 – stormwater runoff and previously monitored treated sanitary wastewater
Outfalls 002 and 003 – stormwater runoff

Effluent Parameter	Monthly Average	Daily Maximum	Measurement Frequency
Flow - GPD	Report	Report	1/3 months
TOC	---	50 mg/l	1/3 months
Oil and Grease	---	15 mg/l	1/3 months
pH – Allowable Range Standard Units	6.0 minimum	9.0 maximum	1/3 months

Outfall 101 – treated sanitary wastewater

Effluent Parameter	Monthly Average	Weekly Average	Measurement Frequency
Flow - GPD	Report	Report	1/6 months
BOD5	---	45 mg/l	1/6 months
TSS	---	45 mg/l	1/6 months
Fecal Coliform Colonies/100 ml	---	400	1/6 months

9. ENDANGERED SPECIES

The receiving waterbody, Subsegment 040801 of the Lake Pontchartrain Basin, has been identified by the U.S. Fish and Wildlife Service (FWS) as habitat for the Gulf Sturgeon, which is listed as an endangered

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species. LDEQ has not submitted this draft permit to the FWS for review in accordance with a letter dated October 21, 2005 from Watson (FWS) to Gautreaux (LDEQ). As set forth in the Memorandum of Understanding between the LDEQ and the FWS, and based on information provided by the FWS, LDEQ has determined that the issuance of the LPDES permit is not likely to have an adverse effect upon the Gulf Sturgeon. Effluent limitations are established in the permit to ensure protection of aquatic life and maintenance of the receiving water as aquatic habitat. The more stringent of technology and water quality based limits (as applicable) have been applied to ensure maximum protection of the receiving water.

10. HISTORIC SITES

The discharge is from an existing facility location, which does not include an expansion on undisturbed soils. Therefore, there should be no potential effect to sites or properties on or eligible for listing on the National Register of Historic Places, and in accordance with the "Memorandum of Understanding for the Protection of Historic Properties in Louisiana Regarding LPDES Permits" no consultation with the Louisiana State Historic Preservation Officer is required.

11. TENTATIVE DETERMINATION

On the basis of preliminary staff review, the Department of Environmental Quality has made a tentative determination to issue a permit for the discharge described in the application.

12. PUBLIC NOTICES

Upon publication of the public notice, a public comment period shall begin on the date of publication and last for at least 30 days thereafter. During this period, any interested persons may submit written comments on the draft permit and may request a public hearing to clarify issues involved in the permit decision at this Office's address on the first page of the statement of basis. A request for a public hearing shall be in writing and shall state the nature of the issues proposed to be raised in the hearing.

Public notice published in:

Local newspaper of general circulation

Office of Environmental Services Public Notice Mailing List

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Rationale for Rig Solutions, A National Oilwell Varco LP Company

1. Outfall 101 - treated sanitary wastewater (estimated flow is 4500 gpd)

<u>Pollutant</u>	<u>Limitation</u>	<u>Reference</u>
	Mo. Avg; Weekly Average (mg/l)	
Flow (MGD)	Report : Report	LAC 33:IX.2707.I.1.b
BOD ₅	---: 45	*, LAG480000
TSS	---: 45	*, LAG480000
Fecal Coliform colonies/100 mL	---: 400	*, LAG480000
pH min/max (su)	6.0 - 9.0	*, LAG480000

Treatment: extended aeration, followed by settling and chlorination

Monitoring Frequency: 1/3 months for all pollutants. Monitoring frequency has been increased due to history of noncompliance.

Limits Justification: Flow reporting is according to LAC 33:IX.2707.I.1.b. Limitations for BOD₅, TSS, fecal coliform, and pH are based on the existing LPDES permit and/or the Light Commercial General Permit, LAG480000, Schedule A – Discharges of Treated Sanitary Wastewater (Less Than 5,000 GPD).

* Existing LPDES permit
su Standard Units

NOTE

For outfalls containing concentration limits, the usage of concentration limits is based on BPJ for similar outfalls since the flow is variable and estimated.

STORM WATER POLLUTION PREVENTION PLAN (SWP3) REQUIREMENT

An SWP3 is included in the permit because in accordance with LAC 33:IX.2511.A.1, stormwater shall not be required to obtain an LPDES permit "...except...discharges associated with industrial activity." In accordance with LAC33:IX.2511.B.14.a-k, stormwater discharges from facilities classified as SIC Code 3531 are considered to be associated with industrial activities.

The SWP3 shall be prepared, implemented, and maintained within six (6) months of the effective date of the final permit. The plan should identify potential sources of stormwater pollution and ensure the implementation of practices to prevent and reduce pollutants in stormwater discharges associated with industrial activity at the facility (see narrative requirements for the AI).